

1 John E. Glowney  
2 A. Ingrid Anderson  
3 STOEL RIVES LLP  
4 600 University Street, Suite 3600  
5 Seattle, WA 98101  
6 Telephone: (206) 624-0900  
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The Honorable Edward F. Shea

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON  
AT SPOKANE

AEGIS, MISSION ESSENTIAL  
PERSONNEL, L.L.C.,

Plaintiff,

v.

UNIVERSAL FUNDING  
CORPORATION,

Defendant.

No. 05-CV-351

AEGIS' ANSWER AND  
AFFIRMATIVE DEFENSES TO  
UNIVERSAL'S  
COUNTERCLAIMS

Plaintiff, Aegis, Mission Essential Personnel LLC ("Aegis"), states its  
answer and affirmative defenses Defendant Universal Funding Corporation  
("Universal") counterclaims as follows:

1. Answering paragraph 1 of the Counterclaim, Aegis admits that Chad  
Monnin is a member and owner of Aegis, and states that the guaranty speaks for  
itself and except as so admitted and stated, denies the remaining allegations  
contained in paragraph 1 of the Counterclaim.

AEGIS ANSWER AND AFFIRMATIVE DEFENSES- 1

1       2. Answering paragraph 2 of the Counterclaim, Aegis admits that Greg  
 2       Miller is a member and owner of Aegis, and states that the guaranty speaks for  
 3       itself and except as so admitted and stated, denies the remaining allegations  
 4       contained in paragraph 2 of the Counterclaim.

6       3. Answering paragraph 3 of the Counterclaim, Aegis admits that the  
 7       parties discussed and negotiated a potential working arrangement in February,  
 8       2005, and that the parties executed a document related to those discussions, which  
 9       document speaks for itself, and except as so admitted and stated, Aegis denies the  
 10       remaining allegations contained in paragraph 3 of the Counterclaim.

13       4. Answering paragraphs 4, 5, 6, 7, and 8 of the Counterclaim, Aegis  
 14       states that the letter of intent document speaks for itself, and except as so stated,  
 15       Aegis denies the allegations contained in paragraphs 4, 5, 6, 7 and 8 of the  
 16       Counterclaim.

18       5. Answering paragraph 9 of the Counterclaim, Aegis denies the same.

20       6. Answering paragraphs 10,11, and 12 of the Counterclaim, Aegis  
 21       states that the letter of intent document speaks for itself, and except as so stated,  
 22       Aegis denies the allegations contained in paragraphs 10, 11, and 12 of the  
 23       Counterclaim.

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 26       AEGIS ANSWER AND AFFIRMATIVE DEFENSES- 2

1       7. Answering paragraph 13 of the Counterclaim, Aegis states that the  
 2 documents identified speak for themselves, and except as so stated, Aegis denies  
 3 the allegations contained in paragraph 13 of the Counterclaim.  
 4

5       8. Answering paragraphs 14, 15, 16, 17, and 18 of the Counterclaim,  
 6 Aegis states that the documents speak for themselves, and except as so stated,  
 7  
 8 Aegis denies the allegations contained in paragraphs 14, 15, 16, 17, and 18 of the  
 9 Counterclaim.

10       9. Answering paragraph 19 of the Counterclaim, Aegis admits the first  
 11 two sentences, states that payment was sent directly to Aegis by the State  
 12 Department in mid-May, 2005, and that when Aegis became aware of the payment  
 13 Aegis and Universal agreed to resolve the issue without a misdirection “penalty”  
 14  
 15 fee as described in paragraph 17 of Aegis’ complaint, and further states that  
 16 Universal breached its promise as described in paragraph 17 of Aegis’ complaint,  
 17 and that the misdirection “penalty” is an unenforceable penalty, and except as so  
 18 stated and admitted, Aegis denies the remaining allegations contained in paragraph  
 19  
 20 19 of the Counterclaim.

21       10. Answering paragraph 20 of the Counterclaim, Aegis states that the  
 22 parties contract speaks for itself, that the misdirection “penalty” is an  
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26       AEGIS ANSWER AND AFFIRMATIVE DEFENSES- 3

1 unenforceable penalty, and except as so stated, Aegis denies the allegations of  
 2 paragraph 20 of the Counterclaim.  
 3

4       11. Answering paragraphs 21 through 31 of the Counterclaim, Aegis  
 5 states that the contract speaks for itself, and except as so stated, Aegis denies the  
 6 allegations contained in paragraphs 21-31 of the Counterclaim.  
 7

8       12. Answering paragraph 32 of the Counterclaim, Aegis admits that Aegis  
 9 terminated the contract by counsel's letter and did not pay an early termination fee  
 10 at that time, states that Universal has failed and refused to state any claimed  
 11 amount due for an early termination fee and denies that Aegis owes any early  
 12 termination fee, and except as so admitted and stated, Aegis denies the remaining  
 13 allegations contained in paragraph 32 of the Counterclaim.  
 14

15       13. Answering paragraphs 33 through 45, Aegis states that the contracts  
 16 identified therein speak for themselves, and except as so stated, Aegis denies the  
 17 allegations contained in paragraphs 33 through 45 of the Counterclaim.  
 18

19       14. Answering paragraph 46, Aegis admits that on or about June 29, 2005,  
 20 Aegis member and officer, Greg Miller, traveled from Cleveland, Ohio to Spokane,  
 21 Washington in order to discuss with Universal its wrongful refusal to release the  
 22 remaining funds it received from the State Department on both the Third and  
 23

24       AEGIS ANSWER AND AFFIRMATIVE DEFENSES- 4

1 Fourth Accounts, and except as so admitted, Aegis denies the remaining  
 2 allegations contained in paragraph 46 of the Counterclaim.  
 3

4       15. Answering paragraphs 47, 48, and 49 of the Counterclaim, Aegis  
 5 denies the same.  
 6

7       16. Answering paragraph 50 of the Counterclaim, Aegis admits that Titan  
 8 and SAIC accounts were not forwarded to Aegis, denies any obligation to forward  
 9 such accounts to Aegis, and denies that Mr. Miller made any representations that  
 10 such accounts would be forwarded to Universal, and except as so admitted and  
 11 denied, Aegis denies the remaining allegations contained in paragraph 50 of the  
 12 Counterclaim.  
 13

14       17. Answering paragraphs 51, 52, and 53 of the Counterclaim, Aegis  
 15 admits a letter was sent by Universal on or about September 7, 2005, states that the  
 16 letter speaks for itself, and except as so admitted and stated, Aegis denies the  
 17 remaining allegations contained in paragraphs 51, 52 and 53 of the Counterclaim.  
 18

19       18. Answering paragraph 54 of the Counterclaim, Aegis admits that  
 20 Aegis' attorney had a telephone call with Universal to discuss the "default" letter  
 21 and except as so admitted Aegis denies the remaining allegations contained in  
 22 paragraph 54 of the Counterclaim.  
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AEGIS ANSWER AND AFFIRMATIVE DEFENSES- 5

1       19. Answering paragraph 55 of the Counterclaim, Aegis admits that its  
 2 books and records have not yet been provided to Universal and except as so  
 3 admitted Aegis denies the remaining allegations contained in paragraph 55 of the  
 4 Counterclaim.

5       20. Answering paragraph 56 of the Counterclaim, Aegis denies the same.

6       21. Answering paragraph 57 of the Counterclaim, Aegis restates its  
 7 answers to paragraphs 1-56 as if fully set forth herein.

8       22. Answering paragraphs 58 through 66 of the Counterclaim, Aegis  
 9 denies the same.

10       23. Answering paragraph 67 of the Counterclaim, Aegis restates its  
 11 answers to paragraphs 1-66 as if fully set forth herein.

12       24. Answering paragraphs 68-70, Aegis denies the same.

13       By way of further answer and as affirmative defenses, Aegis states as  
 14 follows:

15       1. Universal has failed to state a claim upon which relief can be granted.  
 16       2. Universal's counterclaims are barred, in whole or in part, by laches,  
 17 waiver, estoppel, or the applicable statute of limitations.

18       3. Universal's counterclaims are barred, in whole or in part, by its  
 19 material breaches of the parties' agreements.

20       AEGIS ANSWER AND AFFIRMATIVE DEFENSES- 6

4. Universal's claims are barred, in whole or in part, because they violate Washington public policy.

5. Universal's claims are barred, in whole or in part, by reason of Universal's material breaches of the agreement.

Wherefore, having answering Universal's Counterclaims and stated its affirmative defenses, Aegis prays for relief as follows:

1. Judgment dismissing Universal's counterclaims with prejudice and without recovery of any kind;

## 2. Judgment in favor of Aegis upon its complaint:

3. Judgment for Aegis' reasonable attorneys fees and costs upon any ground provided by contract, statute, or equity:

4. Judgment for such other and further legal or equitable relief as the Court finds just in the premise

STOEL RIVES LLP

DATED: January 30, 2006.

/s/ John E. GLOWNEY  
John E. GLOWNEY  
WSBA No. 12652  
Attorneys for Plaintiff  
600 University Street, Suite 3600  
Seattle, WA 98101  
Telephone: (206) 624-0900  
Facsimile: (206) 386-7500  
Email: jeglowney@stoel.com

Attorneys for Plaintiff

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